

## Message Text

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ACTION XMB-04

INFO OCT-01 EUR-08 ISO-00 TRSE-00 AEC-05 ACDA-05 CIAE-00

INR-05 IO-04 L-01 NSAE-00 NSC-05 RSC-01 OES-02 FEA-01

/042 W

----- 124273

R 251528Z OCT 74

FM AMEMBASSY ROME

TO SECSTATE WASHDC 7698

INFO AMEMBASSY VIENNA

USMISSION EC BRUSSELS

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E.O. 11652: N/A

TAGS/ EFIN, EIND, ENRG, 85

SUBJECT: PRELIMINARY DETAILS ON CURRENT ENEL REQUEST FOR EXIM  
FIANCING NUCLEAR REACTORS

USEC BRUSSELS FOR RUBIN

COMMERCE FOR OED

VIENNA FOR DIETZ

PASS TREASURY AND EXIM

REF: ROME 14621

1. ENEL (CENTRAL DIRECTOR FOR PLANNING GIORDANI AND DIRECTOR OF  
CONSTRUCTION BILELLI) INVITED ECON-COMML MINISTER AND SCIENCE  
ATTACHE TO ENEL HEADQUARTERS TO DISCUSS CURRENT ENEL FINANCING  
SITUATION FOR US DESIGNED REACTORS. THEY HAD PREPARED SHORT BRIEF  
DATE OCT 24 WHICH IS SUMMARIZED AS FOLLOWS:

A. ENEL ISSUED LETTERS OF INTENT ON MARCH 8, 1974 TO WESTING-  
HOUSE-ELETTRONUCLEARE ITALIANA FOR A 952 MW PWR AND TO GE-  
ANSALDO MECCANICO NUCLEARE FOR A 982.3 MW BWR.

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B. BOTH LETTERS INCLUDED OPTION FOR IDENTICAL SECOND UNIT.  
THISE OPTIONS EXERCISED JULY 26, 1974. ORDERS FOR ALL 4 PLANTS  
INCLUDE FABRICATION OF FUEL FOR FIRST LOAD AND EIGHT SUBSEQUENT  
RELOADS.

C. SITES HAVE NOT YET BEEN APPROVED BY COMPETENT AUTH-  
ORITIES.

D. CONSTRUCTION TIME IS 68 MONTHS FROM SITE APPROVAL.

3. CONSTRUCTION INVESTMENT FOR EACH PLANT ESTIMATED AT LIRE 330  
BILLION OR \$5.0 MILLION. (NOTE: THIS CONVERSION GENERATES EX-  
CHANGE RATE OF LIRE 647 - \$100. RATE IS CURRENTLY LIRE 669 -  
\$1.00) WITH PAYMENTS TYPICALLY FOLLOWING SCHEDULE OF: 7 PERCENT  
FIRST YEAR; 11 PERCENT SEOND; 22 PERCENT THIRD; 28 PERCENT  
FOURTH; 18 PERCENT FIFTH AND 14 PERCENT SIXTH YEAR. FIRST FUEL  
LOADS WILL COST LIRE 27 BILLION (PWR) AND LIRE 42 BILLION (BWR)  
INCLUDING ENRICHMENT COSTS.

F. US INDUSTRY IS EXPECTED PARTICIPATE IN DESIGN AND CONSTUC-  
TION AND IN SUPPLY OF EQUIPMENT AND FUEL TO ABOUT SAME EXTENT  
AS DOVERED BY EXIM FINANCING OF CAORSO STATION.

G. AN ADDITIONAL AGREEMENT FOR SUPPLYING 8 RELOADS FOR CAORSO  
WAS REACHED WITH GE DURING THE NEGOTIATIONS FOR THE FUEL OF  
THE TWO BWR'S. DOLLAR PORTION THESE EXPENDITURES ALSO AD-  
MITTED TO EXIM FINANCING.

2. ENEL OFFICIALS SAID THAT NO APPROACHES HAVE BEEN MADE TO EXIM ON  
FINANCING, ASIDE FROM BRIEF MENTION BY PRESIDENT ANGELINI DURING HIS  
TRIP TO US IN CONNECTION WITH WORLD ENERGY CONFERENCE LAST MONTH.  
THEY ASKED THAT THEIR APPROACH BE CONSIDERED FIRST OFFICIAL CONTACT  
WITH USG ON PROJECT, AND ASKED THAT EXIM BE PUT INTO TOUCH WITH  
THEM WE AGREED TO TRANSMIT THEIR REQUEST.

3. GIORDANI AND BILELLI STRESSED THAT ENEL STUDIES BASED ON TECH-  
NOLOGY INDICATE THAT US REACTORS HAVE LOWEST COST. THEY HAVE BEEN  
APPROACHED BY CANADIANS WHO ARE PROPOSING CANDU REACTOR,  
UNDER FINANCING TERMS YET TO BE DISCUSSED. ENEL OFFICERS  
SPECIFICALLY CONTINUED THAT FINANCIAL TERMS ARE CONSIDERED BY ENEL  
TO BE PART OF THE PACKAGE.

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4. WE SUGGEST THAT EXIM SEND A SENIOR OFFICER TO ROME. IF THIS NOT  
POSSIBLE, EXIM IS REQUESTED TO INVITE ENEL TO WASHINGTON. PLEASE  
ADVISE. VOLPE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FINANCE, BANK LOANS, NUCLEAR REACTORS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 25 OCT 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974ROME14829  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740306-0434  
**From:** ROME  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19741016/aaaaamve.tel  
**Line Count:** 111  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION XMB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
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**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PRELIMINARY DETAILS ON CURRENT ENEL REQUEST FOR EXIM FIANCING NUCLEAR REACTORS  
**TAGS:** EFIN, EIND, ENRG, XMB  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005